

Washington State Auditor's Office

Audit Report

Audit Services

Report No. 57836

**EAST KING COUNTY
REGIONAL WATER ASSOCIATION**

King County, Washington

January 1, 1993 Through December 31, 1995

Issue Date: November 8, 1996

TABLE OF CONTENTS

	Page
<hr/>	
Management Section	
<hr/>	
Independent Auditor's Report On Compliance With State Laws And Regulations .	M-1
<hr/>	
Financial Section	
<hr/>	
Independent Auditor's Report On Financial Statements	F-1
Financial Statements:	
Comparative Statement Of Resources And Uses Arising From Cash	
Transactions - 1995, 1994, And 1993	F-2
Notes To Financial Statement	F-3
<hr/>	
Addendum	
<hr/>	
Directory Of Officials	A-1

EAST KING COUNTY REGIONAL WATER ASSOCIATION
King County, Washington
January 1, 1993 Through December 31, 1995

**Independent Auditor's Report On Compliance With State
Laws And Regulations**

Board of Directors
East King County Regional Water Association
Bellevue, Washington

We have audited the financial statements, as listed in the table of contents, of the East King County Regional Water Association, King County, Washington, as of and for the fiscal years ended December 31, 1995, 1994, and 1993, and have issued our report thereon dated October 4, 1996.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the association complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the association's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance, or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the association and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the association complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs.

This report is intended for the information of management and the board of directors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Brian Sonntag
State Auditor

October 4, 1996

EAST KING COUNTY REGIONAL WATER ASSOCIATION
King County, Washington
January 1, 1993 Through December 31, 1995

Independent Auditor's Report On Financial Statements

Board of Directors
East King County Regional Water Association
Bellevue, Washington

We have audited the accompanying Statement of Fund Resources and Uses Arising from Cash Transactions of the East King County Regional Water Association, King County, Washington, for the fiscal years ended December 31, 1995, 1994, and 1993. These financial statements are the responsibility of the association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2 to the financial statement, the association prepares its financial statement on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the recognized revenues and expenditures of the East King County Regional Water Association for the fiscal years ended December 31, 1995, 1994, and 1993, on the cash basis of accounting described in Note 2.

Brian Sonntag
State Auditor

October 4, 1996